

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE JOINT)	CASE NOS. SUZ-W-18-02
APPLICATION OF SUEZ WATER IDAHO,)	EAG-W-18-01
INC., TO ACQUIRE EAGLE WATER)	
COMPANY)	NOTICE OF PROPOSED
)	SETTLEMENT
)	
)	NOTICE OF AMENDED
)	SCHEDULE
)	
)	ORDER NO. 35198

On June 8, 2021, Eagle Water Company, Inc. (“Eagle Water”) and SUEZ Water Idaho Inc. (“SUEZ”) (collectively the “Companies”) filed a motion to recommence proceedings in this docket. The same day, Eagle Water and SUEZ filed an amendment to its joint application requesting approval of the acquisition of Eagle Water’s assets by SUEZ (“Amended Joint Application”) and amendment of Certificate of Public Convenience and Necessity No. 143.

On July 14, 2021, the Commission granted SUEZ and Eagle Water’s motion to recommence proceedings and issued a Notice of the Amended Application. Order No. 35104.

At the Commission’s August 31, 2021 Decision Meeting, Staff represented that the parties had met and discussed procedure and scheduling for this case. Staff noted that not all parties agreed on procedure—with some parties preferring a technical hearing to modified procedure—but the parties agreed on a general timeline by which to process this matter.

On September 9, 2021, the Commission issued a Notice of Scheduling, Notice of Modified Procedure, Notice of Public Workshop, and Notice of Customer Hearing. Order No. 35160.

On October 8, 2021, Staff, SUEZ, and Eagle Water (collectively the “Stipulating Parties” or individually “Party”) filed a proposed stipulation and settlement (“Settlement”) and a joint motion of approval of stipulation and settlement (“Motion”). At the Commission’s October 12, 2021, Decision Meeting, Staff recommended the Commission issue a Notice of Proposed Settlement and Notice of Amended Comment Deadlines.

On October 15, 2021, the Commission issued Order No. 35196 providing updated call-in information for the November 1, 2021 customer hearing scheduled for 7:00 PM mountain time. The updated call-in information allows participants to listen-only or to testify.

With this Order, the Commission now issues this Notice of Proposed Settlement, Notice of Amended Schedule, and sets new comment deadlines for Staff and Intervenors and for the Companies' reply.

NOTICE OF PROPOSED SETTLEMENT

YOU ARE HEREBY NOTIFIED that the Stipulating Parties entered the Settlement as a reasonable compromise of the issues raised in the proposed acquisition of Eagle Water's assets by SUEZ.

YOU ARE FURTHER NOTIFIED that the Stipulating Parties agree that SUEZ will be entitled to an acquisition adjustment amount of \$10,475,000 that will be included in its next rate case. The acquisition adjustment amount will be amortized over 40 years beginning at the implementation of rates in SUEZ's next rate case. The acquisition adjustment amount will be allocated between the Utility Plant Acquisition regulatory asset and the incurred transaction costs. The gross amount of utility plant in service as related to the Eagle Water Company assets acquired and included in rate base will be offset with an equal amount in the related accumulated depreciation account. Costs associated with customer communications will be treated as an operational expense.

YOU ARE FURTHER NOTIFIED that Parties agree that new rates for existing customers of Eagle Water Company as of the date on which the transaction closes ("Existing Eagle Water Company Customers") shall be implemented over seven years. On January 1, 2022, Existing Eagle Water Company Customers' rates will be set at 50% of SUEZ's approved rates. Each year thereafter on January 1st Existing Eagle Water Company Customers will increase approximately 8.33% until Existing Eagle Water Company Customers' rates are 100% of SUEZ's approved rates. The rate phase-in for Existing Eagle Water Company Customers to SUEZ approved rates will follow the following progression:¹

¹ The phase-in schedule for Existing Eagle Water Company Customers is provided in Exhibit 1 to the Settlement.

January 1, 2022—50.00%
January 1, 2023—58.33%
January 1, 2024—66.67%
January 1, 2025—75.00%
January 1, 2026—83.33%
January 1, 2027—91.67%
January 1, 2028—100.00%

YOU ARE FURTHER NOTIFIED that the Stipulating Parties agree that Eagle Water will refund approximately \$592,020.00 to Existing Eagle Water Company Customers. The Commission required Eagle Water to set aside certain funds for the benefit of customers. *See* Order No. 34265. The refund is intended to offset the increase in rates Existing Eagle Water Company Customers will experience beginning January 1, 2022.

YOU ARE FURTHER NOTIFIED that the Settlement precludes the Stipulating Parties from asserting contrary positions during subsequent litigation in this proceeding or related appeals.

YOU ARE FURTHER NOTIFIED that the Stipulating Parties agree that the Settlement should be accepted, without modification, because it is just, fair, and reasonable, in the public interest, and otherwise in accordance with law or regulatory policy. The Stipulating Parties further agree that the rates and tariffs that SUEZ Water will charge if the Settlement is accepted are just and reasonable.

YOU ARE FURTHER NOTIFIED that the Stipulating Parties agree that they support, and will continue to support, the Commission's adoption of the terms of the Settlement and approval of SUEZ's acquisition of the assets of Eagle Water upon the terms set forth in the Settlement.

YOU ARE FURTHER NOTIFIED that if the Commission rejects any part or all of the Settlement or imposes any additional conditions on approval of the Settlement, each Party reserves the right, upon written notice to the Commission and the other Stipulating Parties to this proceeding, within 14 days of the date of such action by the Commission, to withdraw from the Settlement. In such case, no Party shall be bound or prejudiced by the terms of the Settlement, and each Party shall be entitled to seek reconsideration of the Commission's final order and do all other things necessary to put on such case as it deems appropriate.

YOU ARE FURTHER NOTIFIED that the Settlement in Case Nos. EAG-W-18-01/SUZ-W-18-02 has been filed with the Commission and is available for public inspection during regular business hours at the Commission's office or on the Commission's web site at www.puc.idaho.gov. Click on the "WATER" tab in the left-hand column of the home page, click "Open Cases," click on either case number as shown on the front of this document. You then may access the Settlement by clicking on "STIPULATION AND SETTLEMENT.PDF" under the "Company" heading.

YOU ARE FURTHER NOTIFIED that the Commission is not bound by the Settlement reached by the Stipulating Parties. The Commission will independently review any proposed settlement to determine whether the settlement is just, fair, and reasonable, and in the public interest, or otherwise in accordance with law or regulatory policy. The Commission may accept a settlement, reject a settlement, or state additional conditions under which a settlement will be accepted. *See* IDAPA 31.01.01.274-.276.

AMENDED NOTICE OF SCHEDULING

YOU ARE FURTHER NOTIFIED that, because a proposed Settlement was filed, the Commission finds it reasonable to amend the procedural schedule previously laid out in Order No. 35160. The new schedule is:

Staff/Intervenor Comment Deadline	October 27, 2021
Customer Hearing	November 1, 2021
Customer Comment Deadline	November 8, 2021
Companies' Reply Deadline	November 8, 2021

YOU ARE FURTHER NOTIFIED that the October 13, 2021, Staff/Intervenor Reply Deadline established in Order No. 35160 is no longer necessary with the proposed Settlement and is hereby vacated.

ORDER

IT IS HEREBY ORDERED that the proposed Settlement will be processed by Modified Procedure, Rule 201-204 (IDAPA 31.01.01.201-.204). Staff and Intervenors shall file comments by October 27, 2021. Persons interested in submitting written comments must do so by November 8, 2021. The Companies must file any reply comments by November 8, 2021.

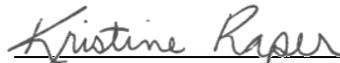
IT IS FURTHER ORDERED that the amended schedule, as set forth above, is adopted.
NOTICE OF PROPOSED SETTLEMENT
NOTICE OF AMENDED SCHEDULE
ORDER NO. 35198

IT IS FURTHER ORDERED that Parties should continue to comply with Order No. 35058, issued June 3, 2021. All pleadings should be filed with the Commission electronically and shall be deemed timely filed when received by the Commission Secretary. *See* Rule 14.02. Service between parties should also be accomplished electronically. Voluminous discovery-related documents may be filed and served on CD-ROM or a USB flash drive.

DONE by order of the Idaho Public Utilities Commission at Boise, Idaho this 15th day of October 2021.



PAUL KJELLANDER, PRESIDENT

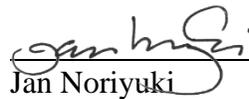


KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Jan Noriyuki
Commission Secretary

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